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DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY  
ACQUISITION LOGISTICS AND TECHNOLOGY  
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WASHINGTON DC 20310-0103

OCT 05 2001



REPLY TO  
ATTENTION OF

MEMORANDUM FOR DOD PURCHASE CARD HOLDERS AND BILLING OFFICIALS

SUBJECT: Blocking of Merchant Category Codes

The purpose of this memorandum is to remind you of the DOD policy of restricting purchases of items/services from merchants coded in certain categories. This policy does not restrict "what" is purchased, but rather restricts purchases from merchants who have identified themselves within the below listed merchant category codes:

4829--Wire Transfer-Money Orders	6211--Security Brokers/Dealers
5932--Antique Shops	6760--Savings Bonds
5933--Pawn Shops	7012--Timeshares
5937--Antique Reproductions	7273--Dating & Escort Services
5944--Jewelry Stores	7995--Betting, Casino Gaming Chips, Off-Track Betting
5960--Direct Marketing Insurance	8651--Political Organizations
6010--Financial Institutions Manual Cash Advance	9211--Court Costs, Alimony, Child Support
6011--Financial Institutions Automatic Cash Advance	9222--Fines
6051--Non-Financial Institutions-Foreign Currency, Money Orders, Travelers Checks	9223--Bail and Bond Payments
	9311--Tax Payments
	9700--Automated Referral Service

In addition to the above listed codes, your local agency program coordinator (APC) can and should tailor your authority by adding additional merchant codes to this listing.

When your card is "swiped" by the merchant, the merchant is actually requesting our card-issuing bank to authorize the purchase. This process ensures that dollar limits are not exceeded and purchases are made only from authorized types of merchants. Without authorization, the merchant assumes all liability for the transaction (government is not liable). Declined transactions have occurred for merchants who do not appear to fit into the above blocked categories. This may be caused by the merchant registering their business in the wrong category or by transposing the numbers during registration (7372, computer and data process, written as 7273, dating services). When this occurs, you can assist the merchant by advising him to contact their "acquiring" bank – the bank the merchant does business with – and correct the coding error in their card merchant application. If it is a locally blocked code, your APC can call our card-issuing bank to request a one-time override or revise the controls to allow purchases from this category. If it is one of the above listed codes, only your level two program coordinator can approve the purchase.

Finally, I have asked the Operation Mongoose Program to be expanded by conducting more frequent audits on DOD transactions. This would include reviewing transactions (authorized and declined) within certain merchant category codes and at certain times of the day or year. I know the majority of you are properly using your card and doing an outstanding job. I applaud you and your efforts to accomplish your mission faster, cheaper and smarter. Questions related to authorization controls should be directed to your local APC. Remember to visit our website at <http://purchasecard.saalt.army.mil>.

Bruce E. Sullivan  
Director, Purchase Card Joint Program  
Management Office

